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January 2, 2008

TO: Each Supervisor

FROM: Bruce A. Chernof, M.D.  
Director and Chief Medical Officer

SUBJECT: **DHS PARTICIPATION IN MEDICARE MODERNIZATION  
ACT (MMA) SECTION 1011 PROGRAM**

On January 19, 2006, I submitted the Department's first status report on our progress to enroll and participate in the MMA Section 1011 program which provides partial federal reimbursement for emergency services to undocumented immigrants. This is the tenth in a series of periodic reports to inform your Board of our participation in this program.

On November 26, 2007 the Department received approximately \$1.2 million in reimbursement for Section 1011 program services provided during the Second Quarter Federal Fiscal Year (FFY) 2007. Total Section 1011 program reimbursement to date (for the seven participating quarters) exceeds \$15.6 million. Please see the attached Section 1011 billing and reimbursement schedule for more information.

As I briefly discussed in my last report, the Department participated in its first Section 1011 On-Site Review conducted at the LAC+USC Medical Center in October 2007. The Department is awaiting the final report from the CMS auditor, TrailBlazer Health Enterprises, LLC and will review the findings when the report is issued and take appropriate follow-up action.

The Department has continued its work with County Counsel and outside legal counsel to determine the impact of Medi-Cal Redesign on receipt of Section 1011 reimbursement. However, unresolved issues with the State regarding Redesign and Health Care Reform need to be resolved prior to completion of this analysis. I will report on this item as we near resolution of the other State issues.

The Department will continue to provide periodic reports to the Board on its participation in the Section 1011 program.

Please let me know if you have questions or require additional information.

BAC:lg (1FORDMMA SEC 1011/BOARD STATUS REPORTS/FINAL REPORTS/STATUS REPORT NO. 10 (12-30-07)  
610:001

Attachment

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors

**COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES**  
**MMA SECTION 1011 BILLING AND REIMBURSEMENT SUMMARY**  
**Fourth Quarter FFY 2005 – Second Quarter FFY 2007**  
**(Dates of Service July 1, 2005 through March 31, 2007)**

| <b>Federal Fiscal Year (Quarter)</b> | <b>Dates of Service</b>              | <b>Total Claims Submitted</b> | <b>Total Gross Charges (Billed)</b> | <b>Total Billed Days</b> | <b>Average Reimbursement/Claim</b> | <b>Payment Date</b> | <b>Total Reimbursement<sup>1</sup></b> |
|--------------------------------------|--------------------------------------|-------------------------------|-------------------------------------|--------------------------|------------------------------------|---------------------|--|
| Fourth Quarter FFY 2005              | July 1, 2005 to September 30, 2005   | 903                           | \$12,412,965                        | 932                      | \$2,619                            | May 29, 2006        | \$2,364,836 <sup>2</sup>               |
| First Quarter FFY 2006               | October 1, 2005 to December 30, 2005 | 1,417                         | \$15,225,675                        | 1,137                    | \$1,705                            | August 28, 2006     | \$2,416,185 <sup>2</sup>               |
| Second Quarter FFY 2006              | January 1, 2006 to March 31, 2006    | 1,048                         | \$11,930,683                        | 1,714                    | \$2,974                            | November 27, 2006   | \$3,117,348 <sup>2</sup>               |
| Third Quarter FFY 2006               | April 1, 2006 to June 30, 2006       | 910                           | \$12,858,944                        | 1,780                    | \$3,507                            | February 26, 2007   | \$3,191,822 <sup>2</sup>               |
| Fourth Quarter FFY 2006              | July 1, 2006 to September 30, 2006   | 835                           | \$ 9,738,071                        | 1,443                    | \$2,508                            | May 28, 2007        | \$2,094,219                            |
| First Quarter FFY 2007               | October 1, 2006 to December 31, 2006 | 467                           | \$ 5,851,230                        | 818                      | \$2,764                            | August 28, 2007     | \$1,291,042                            |
| Second Quarter FFY 2007              | January 1, 2007 to March 31, 2007    | 477                           | \$ 6,169,519                        | 830                      | \$2,538                            | November 26, 2007   | \$1,210,679                            |
| <b>Total-to-Date</b>                 |                                      | <b>6,057</b>                  | <b>\$74,187,087</b>                 | <b>8,654</b>             | <b>\$2,590<sup>3</sup></b>         |                     | <b>\$15,686,131<sup>4</sup></b>        |

1. Reimbursement is based on a combined Medicare Cost Report-TrailBlazer methodology that has provided an average reimbursement rate to date of 21.1%
2. Paid claims are subject to eligibility compliance and medical review that can result in repayment of a paid claim denied by TrailBlazer as part of its compliance and medical review final determination process
3. Average reimbursement per claim reflects quarterly variances in average length-of-stay per claim (Note: A sample of Statewide Section 1011 provider payments per claim for FFY 2006 averaged \$1,601)
4. If it is determined that provisions of the proposed State Medi-Cal Redesign (or other reform proposals) preclude claiming for Section 1011 services the Department will make arrangements to return some or all of the Section 1011 payments received